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**Naabik'iyátí Committee approves legislation to move the
Nation a step closer to establishing the “Narbona Growth Fund, Inc.”**

Legislation moves on to the Navajo Nation Council for final consideration

WINDOW ROCK – Legislation No. 0447-12 sponsored by Council Delegate Roscoe Smith (Crystal, Fort Defiance, Red Lake, Sawmill), seeks to petition the U.S. Secretary of the Interior to issue a federal charter of incorporation that will enable the Navajo Nation to establish Narbona Growth Fund, Inc., a section 17 for-profit company under section 17 of the Indian Reorganization Act.

The legislation was approved by the Naabik'iyátí Committee on May 16.

Delegate Smith explained that the company's establishment would put the Nation on a path toward further economic independence and allow for a variety of opportunities for the Nation.

“The Nation has taken great strides in creating opportunities to make substantial decisions concerning our own resources,” Delegate Smith said.

The proposed investment company is one component of the Navajo Nation Division of Economic Development's strategic plan, developed to address financing shortfalls that hinder economic development, explained Peter Deswood, senior economic specialist with the DED.

Deswood said in addition to being exempt from state taxes, section 17 of the Indian Reorganization Act would also allow Narbona Trust Fund, Inc. to be exempt from federal taxes, conduct business in any state or foreign country, and seek federal contracts.

Members of the Navajo Nation Council would serve as shareholders or common stock holders, and each enrolled member of the Navajo Nation would be a preferred stock holder, according to Deswood.

Shareholders would be represented by ten individuals, including two members from each of the four standing committees of the Navajo Nation Council, and two individuals appointed by the Navajo Nation President who would have the authority to approve the Board of Directors.

As a holding company, the Narbona Growth Fund, Inc. would be able to form subsidiaries, joint ventures and partnerships, and allow for investments in stocks and bonds, real estate, and commodities such as oil and gold, Deswood said.

Council Delegate Dwight Witherspoon (Black Mesa, Forest Lake, Hardrock, Pinon, Whippoorwill) spoke in support of the legislation and urged colleagues to vote in favor.

“We as a Nation need to be involved and take advantage of financial tools to be able to place the Nation in the best situations possible to benefit from multiple sources of revenues, and multiple opportunities to help facilitate economic development,” Delegate Witherspoon said.

Council Delegate Mel Begay (Coyote Canyon, Mexican Springs, Naschitti, Tohatchi, Bahastl’a’a’) expressed concern over ethical business practices, referencing previous large corporations throughout the U.S. that failed due to unethical business practices.

“I encourage this operation to be realistic in assessing its assets and to envision positive business practices,” Delegate Begay said.

Another concern raised by Council Delegate Katherine Benally (Chilchinbeto, Dennehotso, Kayenta) and Council Delegate Lorenzo Curley (Houck, Klagnetoh, Nahata Dziil, Tsé Si áni, Wide Ruins) centered on duplication of services.

Delegate Curley said the responsibilities of the proposed company may overlap with the responsibilities of the DED, the Navajo Nation Investment Committee, and other entities.

“Is this going to replace the current entities that we’ve already empowered to handle some of these responsibilities?” asked Delegate Curley.

In response to questions over the distribution of revenue, Deswood explained that Narbona Trust Fund, Inc. would allocate a portion of its revenue for a trust fund to help elderly and disabled Navajo people.

Legislation sponsor Delegate Smith acknowledged the concerns of his Council colleagues and continued to affirm that establishing the company would address the major lack of financing necessary to drive the Nation’s economy.

At the conclusion of discussion, Naabik’íyátí Committee members approved the legislation with a 9-3 vote.

Legislation No. 0447-12 now moves on to the Navajo Nation Council for final approval.

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